

STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: Community and Economic Development Department

AGENDA DATE: December 7, 2004

SUBJECT: Release Agreement Between Temecula Valley, LLC. and Community Facilities District No. 93-1 of the City of Beaumont


Background/Analysis

The proposed Release Agreement has been entered between Temecula Valley, LLC and the City of Beaumont. Pursuant to the terms of the Agreement, Temecula Valley was obligated to pay certain Deferred Special Taxes and the interest accrued in order to fully settle and resolve all disputes related to CFD No. 93-1 and resolve any claims, demands and causes of action arising from the Special Taxes and Improvement Area No. 5 Bonds. The Acknowledgment recognizes that the developer was fully satisfied with the terms of the Agreement.

Recommendation

Staff recommends that the City Council APPROVE the Acknowledgment of Satisfaction and Release Agreement between Temecula Valley, LLC and Community Facilities District No. 93-1 of the City of Beaumont and AUTHORIZE the Mayor to execute the Agreement.

Respectfully Submitted,


Jeffrey E. Oakley
Assistant Director of Planning

RECORDING REQUESTED BY:

City of Beaumont

AND WHEN RECORDED MAIL
TO:

James Anderson, Esquire
McFarlin and Anderson
23101 Lake Center Drive
Suite 120
Lake Forest, CA 92630

**THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION
27383 OF THE CALIFORNIA GOVERNMENT CODE.**

**ACKNOWLEDGEMENT OF SATISFACTION
AND RELEASE AGREEMENT**

1. This Acknowledgement of Satisfaction and Release Agreement (the "Acknowledgement") is entered into by and between TEMECULA VALLEY, LLC, a Delaware limited liability company ("Temecula Valley"), and COMMUNITY FACILITIES DISTRICT NO. 93-1 OF THE CITY OF BEAUMONT ("CFD No. 93-1"), a community facilities district formed by the City of Beaumont (the "City") pursuant to the Mello-Roos Community Facilities District Act of 1982 (the "Act").

2. All capitalized terms used in this Acknowledgement not specifically defined herein shall have the meanings set forth in the text of that certain Settlement and Forbearance Agreement (the "Agreement") recorded on November 19, 2002, as Instrument No. 2002-679933 in the Official Records of the County of Riverside, which Agreement is attached hereto as Exhibit B.

3. Temecula Valley and CFD No. 93-1 entered into the Agreement. Pursuant to the terms of the Agreement, Temecula Valley was obligated to pay certain Deferred Special Taxes and the interest accrued thereon in order to fully settle and resolve all disputes related to CFD No. 93-1 and resolve any claims, demands and causes of action arising from the Special Taxes and Improvement Area No. 5 Bonds.

4. Temecula Valley and CFD No. 93-1 do hereby acknowledge and agree that: (i) the Deferred Special Taxes and the interest thereon as described in Section 2 of the Agreement have been paid in full by Temecula Valley to CFD No. 93-1 in care of City Manager's Office; (ii) the Delinquent Special Taxes are deemed satisfied in full, pursuant to Section 6 of the Agreement; and (iii) all of the terms and conditions set forth in the Agreement have been satisfied by Temecula Valley.

5. Temecula Valley and CFD No. 93-1 do hereby release, discharge, and acquit each other and their past and present agents, servants, employees, successors and assigns from any and all debts, claims, demands, liabilities, obligations, cause or causes of action, known or unknown, against them in connection with the Agreement or the obligations thereunder.

6. Notwithstanding anything to the contrary contained in this Acknowledgement, the mutual releases between Temecula Valley and CFD No. 93-1 set forth in Section 10 of the Agreement shall remain in full force and effect and shall survive the execution of this Acknowledgement.

7. This Acknowledgement shall be recorded against the property described in Exhibit A attached hereto.

(signatures on following page)

IN WITNESS WHEREOF, Temecula Valley and CFD No. 93-1 have executed this Acknowledgement on the dates set forth below.

TEMECULA VALLEY, LLC,
a Delaware limited liability company

By: Greystone Homes, Inc.,
a Delaware corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

COMMUNITY FACILITIES DISTRICT
NO. 93-1 OF THE CITY OF BEAUMONT

By: _____
Mayor of the City of Beaumont
as Legislative Body of
Community Facilities District No.
93-1 of the City of Beaumont

ATTEST:

By: _____
Deputy City Clerk of the City of Beaumont as
The Legislative Body of Community Facilities
District No. 93-1 of the City of Beaumont

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)

)

COUNTY OF _____)

On _____, before me, _____,
personally appeared _____
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s)
acted, executed the instrument.

Witness my hand and official seal.

Signature _____

(This area for official notarial seal)

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA)

))
COUNTY OF _____)

On _____, before me, _____,
personally appeared _____
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature on the instrument, the person(s) or the entity(ies) upon behalf of which the person(s)
acted, executed the instrument.

Witness my hand and official seal.

Signature _____

EXHIBIT A

Description of Property

(attached)

EXHIBIT 1

(LEGAL DESCRIPTION)

PARCEL 1:

BEING A PORTION OF THE WEST HALF OF GOVERNMENT LOT 5 AND A PORTION OF THE WEST HALF OF GOVERNMENT LOT 6 OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6 AS SHOWN ON A RECORD OF SURVEY AS FILED IN BOOK 71 PAGE 62 OF RECORDS OF SURVEY IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG THE WEST LINE OF SAID SECTION 6, NORTH $00^{\circ} 16' 38''$ EAST, 1500.15 FEET (NORTH $00^{\circ} 08' 55''$ WEST, 1500.04 FEET PER SAID RECORD OF SURVEY), TO THE TRUE POINT OF BEGINNING, SAID POINT BEING ALSO THE NORTHWEST CORNER OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 84-116461, OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE CONTINUING ALONG SAID WEST LINE OF SECTION 6, NORTH $00^{\circ} 16' 38''$ EAST, 1137.71 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 6;

THENCE CONTINUING ALONG SAID WEST LINE NORTH $00^{\circ} 16' 38''$ EAST, 496.43 FEET TO POINT "A", SAID POINT BEING ALSO THE BEGINNING OF AN 800.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH $04^{\circ} 03' 41''$ WEST;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $16^{\circ} 44' 32''$ A DISTANCE OF 233.77 FEET;

THENCE SOUTH $77^{\circ} 19' 09''$ EAST, 441.89 FEET TO POINT "B", SAID POINT BEING ALSO THE INTERSECTION WITH THE NORTHERLY PROLONGATION OF THE EAST LINE OF THE WEST HALF OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID NORTHERLY PROLONGATION AND SAID EAST LINE OF THE WEST HALF OF GOVERNMENT LOT 6 SOUTH $00^{\circ} 11' 25''$ WEST, 1469.98 FEET TO THE NORTHEASTERLY LINE OF SAID FILE NO. 116461;

THENCE ALONG SAID NORTHEASTERLY LINE NORTH $53^{\circ} 41' 59''$ WEST, 24.27 FEET TO THE MOST NORTHERLY CORNER OF SAID FILE NO. 116461;

THENCE ALONG THE NORTHERLY LINE OF SAID FILE NO. 116461, SOUTH $84^{\circ} 20' 53''$ WEST 650.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL A-1 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 2:

BEING A PORTION OF THE EAST HALF OF GOVERNMENT LOT 5 AND A PORTION OF THE EAST HALF OF GOVERNMENT LOT 6 OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "B" AS DESCRIBED HEREIN ABOVE.

THENCE SOUTH 77° 19' 09" EAST, 127.85 FEET;

THENCE SOUTH 75° 54' 51" EAST 147.34 FEET;

THENCE SOUTH 83° 32' 10" EAST, 398.81 FEET TO POINT "C", SAID POINT BEING ALSO THE INTERSECTION WITH THE NORTHERLY PROLONGATION OF THE EAST LINE OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID NORTHERLY PROLONGATION AND ALONG SAID EAST LINE OF GOVERNMENT LOT 6, SOUTH 00° 06' 13" WEST, 1495.89 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 6;

THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 6, SOUTH 83° 15' 00" WEST, 418.59 FEET TO THE EASTERLY LINE OF SAID INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 116461 OF OFFICIAL RECORDS

THENCE ALONG SAID NORTHEASTERLY LINE NORTH 53° 41' 59" WEST, 310.71 FEET TO THE WEST LINE OF THE EAST HALF OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID WEST LINE NORTH 00° 11' 25" EAST, 1469.98 FEET TO THE POINT OF BEGINNING;

SAID LAND IS SHOWN AS PARCEL A-2 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 3:

BEING THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER TOGETHER WITH A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER AND A PORTION OF THE SOUTH HALF OF THE SOUTH HALF, ALL IN SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "C" AS DESCRIBED HEREIN ABOVE.

THENCE ALONG THE NORTHERLY PROLONGATION OF THE EAST LINE OF GOVERNMENT LOT 6 OF SAID SECTION 6 AND THE EAST LINE OF SAID GOVERNMENT LOT 6, SOUTH 00° 06' 13" WEST, 1495.89 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 6;

THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 6, SOUTH 83° 15' 00" WEST 418.59 FEET TO THE NORTHEASTERLY LINE OF SAID INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 116461 OF OFFICIAL RECORDS.

THENCE ALONG SAID NORTHEASTERLY LINE SOUTH 53° 41' 59" EAST, 290.02 FEET TO AN ANGLE POINT IN SAID FILE NO. 116461;

THENCE SOUTH 00° 58' 33" WEST, 320.12 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470, OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY LINE SOUTH 88° 12' 00" EAST, 4132.00 FEET TO THE EAST LINE OF SAID SECTION 6, SAID POINT BEING NORTH 00° 15' 45" EAST, 280.03 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 6;

THENCE ALONG SAID EAST LINE OF SECTION 6, NORTH 00° 15' 45" EAST, 2422.26 FEET;

THENCE LEAVING SAID EAST LINE AT RIGHT ANGLES NORTH 89° 44' 15" WEST, 831.98 FEET;

THENCE SOUTH 87° 13' 03" WEST, 94.13 FEET;

THENCE NORTH 89° 44' 15" WEST, 130.96 FEET TO THE BEGINNING OF A 2097.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 14' 09" A DISTANCE OF 484.43 FEET TO POINT "D"

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 25' 32", DISTANCE OF 52.17 FEET;

THENCE SOUTH 75° 36' 03" WEST, 221.07 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURE THROUGH A CENTRAL ANGLE OF 13° 59' 50", A DISTANCE OF 367.18 FEET;

THENCE SOUTH 89° 35' 53" WEST, 113.00 FEET TO THE BEGINNING OF A 1297.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 52' 16" A DISTANCE OF 381.91 FEET;

THENCE SOUTH 72° 43' 37" WEST, 97.04 FEET TO THE BEGINNING OF 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 29' 24", A DISTANCE OF 642.43 FEET;

THENCE NORTH 82° 46' 59" WEST, 373.21 FEET;

THENCE NORTH 88° 51' 59" WEST, 137.82 FEET;

THENCE NORTH 83° 32' 10" WEST, 61.35 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL A-3 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 4:

BEING A PORTION OF GOVERNMENT LOT 5 AND A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "A" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ON THE WEST LINE OF SAID SECTION 6;

THENCE ALONG SAID WEST LINE NORTH 00° 16' 38" EAST, 600.06 FEET TO THE SOUTHERLY RIGHT OF WAY OF SOUTHERN PACIFIC RAILROAD AS SHOWN ON A RECORD OF SURVEY AS FILED IN BOOK 80 PAGES 78 THROUGH 89 INCLUSIVE, OF RECORD OF SURVEY IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY NORTH 83° 49' 57" EAST, 1130.46 FEET TO THE NORTHWESTERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED MAY 5, 1905 IN BOOK 202 PAGE 54 OF DEEDS, IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 63° 49' 50" WEST, 1121.91 FEET TO THE MOST WESTERLY CORNER OF THE AFOREMENTIONED PARCEL OF LAND;

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL OF LAND SOUTH 26° 10' 10" EAST, 100.00 FEET TO THE MOST SOUTHERLY CORNER OF SAID PARCEL OF LAND;

THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND NORTH 63° 49' 50" EAST, 1396.63 FEET TO SAID SOUTHERLY LINE OF SOUTHERN PACIFIC RAILROAD;

THENCE ALONG SAID SOUTHERLY LINE NORTH 83° 49' 57" EAST, 913.26 FEET TO THE BEGINNING OF A 5639.65 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03° 21' 33", A DISTANCE OF 330.64 FEET TO THE NORTH-SOUTH CENTERLINE OF SAID SECTION 6;

THENCE LEAVING SAID CURVE AND ALONG SAID NORTH-SOUTH CENTERLINE SOUTH 00° 04' 12" EAST, 1062.49 FEET TO A 1297.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 15° 47' 10" WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 29' 13", A DISTANCE OF 33.66 FEET;

THENCE SOUTH 72° 43' 27" WEST, 97.04 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 29' 24", A DISTANCE OF 642.43 FEET;

THENCE NORTH 82° 46' 59" WEST, 373.21 FEET;

THENCE NORTH 88° 51' 59" WEST, 137.82 FEET;

THENCE NORTH 83° 32' 10" WEST, 460.16 FEET;

THENCE NORTH 75° 54' 51" WEST, 147.34 FEET;

THENCE NORTH 77° 19' 09" WEST, 569.74 FEET TO THE BEGINNING OF AN 800.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 44' 32", A DISTANCE OF 233.77 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-1 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109700, OF OFFICIAL RECORDS.

PARCEL 5:

BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "D" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ALSO ON THE EAST LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED JANUARY 19, 1968 AS FILE NO. 5579 OF OFFICIAL RECORDS, IN THE RECORDER'S OFFICE OF SAID COUNTY, SAID POINT BEING ALSO ON A 2097.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 12° 58' 25" WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 25' 32", A DISTANCE OF 52.17 FEET;

THENCE SOUTH 75° 36' 03" WEST, 221.07 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 59' 50", A DISTANCE OF 367.18 FEET;

THENCE SOUTH 89° 35' 53" WEST, 113.00 FEET TO THE BEGINNING OF A 1297.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 23' 03", A DISTANCE OF 348.25 FEET TO THE NORTH-SOUTH CENTERLINE OF SAID SECTION 6;

THENCE LEAVING SAID CURVE AND ALONG SAID NORTH-SOUTH CENTERLINE NORTH 00° 04' 12" WEST, 1062.49 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SAID SOUTHERN PACIFIC RAILROAD, SAID POINT BEING ALSO 5639.65 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 02° 48' 30" WEST;

THENCE EASTERLY ALONG SAID CURVE AND SAID SOUTHERLY RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 04° 39' 32", A DISTANCE OF 458.58 FEET (RECORD 330.64 FEET);

THENCE SOUTH 88° 08' 58" EAST, 630.06 FEET TO THE EAST LINE OF SAID FILE NO. 5579;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG SAID EAST LINE SOUTH 00° 08' 14" WEST 881.80 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-2 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 6:

BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "D" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ALSO THE EAST LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED JANUARY 19, 1968 AS FILE NO. 5579 OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY, SAID POINT BEING ALSO ON A 2097.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 12° 58' 25" WEST;

THENCE ALONG SAID EAST LINE OF FILE NO. 5579 NORTH 00° 08' 14" EAST, 881.80 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID SOUTHERN PACIFIC RAILROAD;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH 88° 08' 58" EAST, 1539.60 FEET TO THE EAST LINE OF SAID SECTION 6;

THENCE ALONG SAID EAST LINE SOUTH 00° 15' 45" WEST, 778.42 FEET;

THENCE LEAVING SAID EAST LINE AT RIGHT ANGLES NORTH 89° 44' 15" WEST, 831.98 FEET;

THENCE SOUTH 87° 13' 03" WEST, 94.13 FEET;

THENCE NORTH 89° 44' 15" WEST, 130.96 FEET TO THE BEGINNING OF A 2097.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 14' 09", A DISTANCE OF 484.43 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-3 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 7:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "THENCE SOUTH 64° 05' 00" EAST, 299.00 FEET; IN DEED TO MARY CORDEIRO RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID CORDEIRO PARCEL SOUTH 88° 39' 33" EAST, 5012.15 FEET TO THE EAST LINE OF SAID SECTION 6; THENCE ALONG SAID EAST LINE, SOUTH 00° 14' 42" EAST, 146.99 FEET TO A POINT WHICH IS NORTH 00° 14' 42" WEST, 133.04 FEET FROM A THREE-QUARTER (3/4) INCH IRON PIPE AS SHOWN BY RECORD OF SURVEY IN BOOK 17 OF RECORD OF SURVEY, PAGE 21, IN THE RIVERSIDE COUNTY RECORDER'S OFFICE, MARKING THE SOUTHEAST CORNER OF SAID SECTION 6; THENCE NORTH 89° 21' 30" WEST, 638.34 FEET TO A TANGENT CURVE CONCAVE SOUTH HAVING A RADIUS OF 2200.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 17' 30" A DISTANCE OF 587.16 FEET; THENCE SOUTH 75° 21' 00" WEST, 754.82 FEET TO A TANGENT CURVE CONCAVE NORTH HAVING A RADIUS OF 2827.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 27' 30" A DISTANCE OF 762.72 FEET; THENCE NORTH 89° 11' 30" WEST, 816.26 FEET TO A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 2000.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE FROM A TANGENT BEARING OF 87° 47' 31" EAST, THROUGH A CENTRAL ANGLE OF 28° 05' 07", A DISTANCE OF 980.36 FEET; THENCE NORTH 64° 07' 22" WEST, 476.14 FEET; THENCE NORTH 30° 12' 59" WEST, 222.95 FEET TO THE POINT OF BEGINNING.

PARCEL 8:

THAT PORTION OF LOTS 6 AND 7 AND THE SOUTH HALF OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING WITHIN THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 6; THENCE SOUTH 00° 09' 15" EAST, A DISTANCE OF 4,498.96 FEET TO THE SOUTH LINE OF THE LAND CONVEYED TO MARY CORDEIRO BY DEED RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTH LINE NORTH 88° 36' 23" WEST, A DISTANCE OF 4,131.73 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 88° 36' 23" WEST, A DISTANCE OF 880.00 FEET; THENCE ALONG SAID SOUTH LINE NORTH 64° 00' 41" WEST, A DISTANCE OF 299.00 FEET TO THE WEST LINE OF SECTION 6; THENCE ALONG SAID WEST LINE NORTH 00° 08' 55" WEST, A DISTANCE OF 465.00 FEET; THENCE NORTH 83° 55' 20" EAST, A DISTANCE OF 650.00 FEET; THENCE SOUTH 54° 07' 32" EAST, A DISTANCE OF 625.00 FEET; THENCE SOUTH 00° 33' 00" WEST, A DISTANCE OF 320.00 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT B

Settlement and Forbearance Agreement

(attached)

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

City of Beaumont

AND WHEN RECORDED MAIL TO:

James Anderson, Esq.
McFarlin and Anderson
23101 Lake Center Dr.
Suite 120
Lake Forest, CA 92630

DOC # 2002-679933

11/19/2002

Conformed Copy

Has not been compared with original

Gary L Orso
County of Riverside
Assessor, County Clerk & Recorder

SPACE ABOVE FOR RECORDER'S USE ONLY

SETTLEMENT AND FOREBEARANCE AGREEMENT

Title of Document

THIS AREA FOR
RECORDER'S
USE ONLY

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(\$3.00 Additional Recording Fee Applies)

RECORDING REQUESTED BY:

City of Beaumont Community Facilities District No 93-1
550 East Sixth Street
Beaumont, CA 92223

AND WHEN RECORDED MAIL TO:

McFarlin & Anderson
23101 Lake Center Drive, Suite 120
Lake Forest, CA 92630
Attention: James Anderson, Esquire

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO
SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SETTLEMENT AND FORBEARANCE AGREEMENT

THIS SETTLEMENT AND FORBEARANCE AGREEMENT (the "Agreement") is entered into by and between TEMECULA VALLEY, LLC, a Delaware limited liability company ("Temecula Valley"), and COMMUNITY FACILITIES DISTRICT NO. 93-1 OF THE CITY OF BEAUMONT ("CFD No. 93-1"), a community facilities district formed by the City of Beaumont (the "City") pursuant to the Mello-Roos Community Facilities District Act of 1982 (the "Act"), with reference to the following facts:

RECITALS

A. Temecula Valley has acquired the undeveloped land, including Assessor's Parcel numbers 414-110-033, 414-110-036, 414-110-037, 414-110-038, 414-110-039, 414-110-040, 414-110-041, and 414-110-042, (initially, such parcels when Improvement Area No. 5 was formed were referred to as Assessor's Parcel numbers 414-110-033, 414-100-004, 414-100-005, 414-100-006, 414-110-003, 414-110-004, 414-110-012, 414-110-014, 414-110-016, 414-110-018 and 414-110-020, and such parcels have subsequently been renumbered)(collectively, the "Properties", a legal description of which is attached as Exhibit 1) within Improvement Area No. 5 of CFD No. 93-1. The City Council of the City, acting as the Legislative Body of CFD No. 93-1 (the "Legislative Body") adopted Ordinance No. 732 levying special taxes within Improvement Area No. 5 of CFD No. 93-1.

B. To date, two bond series have been sold and issued with respect to Improvement Area No. 5 i.e., Special Tax Bonds, 1994 Series A in the aggregate principal amount of \$2,111,102.22 and Special Tax Bonds, 1996 Series A in the aggregate amount of \$350,000 (collectively the "Improvement Area No. 5, Bonds").

C. A former property owner of the Properties was delinquent in the payment of the *ad valorem* taxes and the special taxes levied by CFD No. 93-1 (the "Special Taxes") for tax years 2000-01 and 2001-02. The total Special Taxes obligation (delinquent Special Taxes, and the penalties and interest thereon) on the Properties calculated through the close of business on April 10, 2002, are set forth on Schedule A.

D. In February 2002, CFD No. 93-1 initiated foreclosure proceedings against the Properties in the Superior Court of the County of Riverside, Case # RIC 370362 (the "Foreclosure Action").

E. Temecula Valley is unwilling to invest time, effort, and substantial financial resources necessary to acquire the Properties and to obtain the land use entitlements it believes are necessary to make the Properties commercially viable without assurances from the Legislative Body on the treatment of the Special Taxes obligation.

F. CFD No. 93-1 believes that the resolution of the Special Taxes delinquencies benefits CFD No. 93-1 generally and the owners of Improvement Area No. 5 Bonds specifically because it (i) avoids a protracted foreclosure proceeding; (ii) there is no assurance that the Foreclosure Action will result in a bid sufficient to pay the Special Taxes obligation; and (iii) results in funds becoming available to CFD No. 93-1 and the owners of the Improvement Area No. 5 Bonds more quickly than through the Foreclosure Action.

G. Therefore, CFD No. 93-1 and Temecula Valley wish to fully settle and resolve all disputes related to CFD No. 93-1 and enable the development of the Properties and resolve other matters arising out of, connected with or incidental to any and all claims, demands and causes of action arising from the Special Taxes and Improvement Area No. 5 Bonds. The parties, therefore, enter into this Agreement without admitting any liability, or acknowledging the claims of the other, to avoid the uncertainties, costs and expenses associated with litigation.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants, conditions and releases contained herein, and for other good and valuable consideration, the value and adequacy of which are hereby acknowledged, the parties promise and agree as follows:

Section 1. Temecula Valley or its Assignee has paid on or before May 13, 2002, a total amount equal to \$250,000.00 which was applied as follows: (i) \$242,293.42 was paid as amounts due during Fiscal Year 2001-02 (\$220,266.78 of the Special Taxes installments due in Fiscal Year 2001-02 and \$22,026.64 for penalties relating to the November 1, 2001 and March 1, 2002 installments which

were not paid), (ii) \$7,500 for administrative and legal costs relating to this Agreement and the deferral of Fiscal Year 2000-01 Special Taxes and (iii) \$206.58 as initial payment of the 2000-01 Special Taxes.

CFD No. 93-1 may use the \$7,500 of such funds to cover costs of administration, including special tax consultant, legal and staff associated with administration of CFD No. 93-1 and the negotiation of and preparation of this Agreement. The balance of such funds shall be deposited in the Special Tax Fund with respect to Improvement Area No. 5 and used in accordance with the Indenture of Trust relating to the Improvement Area No. 5 Bonds.

Section 2. Except as set forth in Section 7 below, CFD No. 93-1 shall forbear in the collection of the Fiscal Year 2000-01 Special Taxes of \$242,950.80, the \$24,294.96 penalty relating thereto and interest accruing thereon since July 1, 2001. (The \$242,950.80 being referred to herein as the "Deferred Special Taxes." The interest accruing thereon at the applicable statutory rate and the \$24,294.96 penalty relating thereto being subject to forbearance as described in this Agreement). Deferred Special Taxes shall be payable in (5) semi-annual installments on May 1, and November 1, commencing November 1, 2002, together with interest on the Deferred Special Taxes at the rate of 8% for total payments as set forth in Schedule B.

If Temecula Valley sells or transfers a parcel to another party, Temecula Valley shall provide CFD 93-1 with notice of said transfer. Upon request of Temecula Valley, assumption of this Agreement by said party and consent of CFD 93-1, which consent shall not be unreasonably withheld, the portion of Deferred Special Taxes shall be allocated to said parcel and may be paid pursuant to the terms of this Agreement. Additionally, the Deferred Special Taxes and amounts owed pursuant to the installment schedule may be allocated to parcels sold to another party or individual homeowners and paid by them at the close of escrow. Temecula Valley may prepay payments under Schedule B at any time without penalty for any or all of the Properties.

Section 3. Upon execution of this Settlement and Forbearance Agreement, CFD No. 93-1 shall file a Request for Dismissal (without prejudice) in the Foreclosure Action.

Section 4. Penalties and interest on the Fiscal Year 2000-01 Special Taxes will continue to accrue until the payments required by Section 2 above have been paid in immediately available funds and either delivered to CFD NO. 93-1 (care of the City Manager's Office) and made payable to Union Bank of California, N.A., or wired directly to Union Bank of California as directed by CFD No. 93-1. CFD No. 93-1 will determine the amount of accrued interest and the amount of penalties and notify Temecula Valley in writing of such amounts, if such amounts differ from those reflected on Schedule A hereto.

Section 5. Temecula Valley hereby agrees (i) to the recordation of this Agreement and (ii) that the amounts to which CFD No. 93-1 ceases to forebear shall immediately accrue penalties and interest at the rate and in the manner of all other delinquent Special Taxes and be subject to foreclosure in accordance with the laws governing the Improvement Area No. 5 Bonds, the administration of CFD No. 93-1, and the levy and collection of Special Taxes, including, but not limited to the Act.

Section 6. Delinquent Special Taxes set forth on Schedule B will be deemed satisfied in full in the \$242,950.80 in Deferred Special Taxes together with the interest thereon as described in Section 2 is paid to CFD No. 93-1 in care of the City Manager's Office in immediately available funds in accordance with Schedule B on or before the close of business on each May 1 and November 1, through November 1, 2004.

Section 7. Failure to timely make any payment specified in Section 2 above shall be an event of default under this Agreement. Upon an occurrence of an event of default, CFD No. 93-1 shall mail and fax a Notice of Default to Temecula Valley specifying the nature of the default and providing that the default maybe cured by Temecula Valley by payment within ten (10) calendar days after mailing of such notice.

In the event the default is not cured as specified in the preceding paragraph, the amount of Delinquent Special Taxes will be calculated to include the penalties and interest owing on the date of this Agreement and accruing since the date of this Agreement at the applicable statutory rates, less the amount of payments made, if any, pursuant to Section 2 (the "Recalculated Amount"). CFD no. 93-1's remedy on default shall be limited to prosecution of a foreclosure action.

Nothing in this Agreement shall prohibit CFD No. 93-1 from pursuing lawful foreclosure actions for any amounts due and owing for taxes and/or Special Taxes in future years.

Section 8. This Agreement shall become effective upon the occurrence of all of the following:

- a. Execution and delivery by Temecula Valley; and
- b. Execution and delivery by CFD No. 93-1;

Section 9. The parties hereto recognize that nothing herein shall be construed in any way to constitute an advance determination that any City permits and/or approvals will be granted, or in general, that any discretionary decision which might be taken or adopted by the City necessarily shall be taken or adopted by

the City in connection with Temecula Valley's attempts to attain development levels or entitlements.

Section 10. Except as to those obligations, warranties and representations created herein, CFD No. 93-1 hereby releases Temecula Valley, and each of its officers, directors, attorneys, or other entities in which it owns or owned a controlling interest, from any and all claims, demands, causes of action, in law and in equity, suits, proceedings, debts, liens, contracts, obligations, agreements, promises, liability, losses, costs or expenses of any nature whatsoever (including attorney's fees), past, present or future, known or unknown, fixed or contingent, arising out of or in any way connected with or relating to the Foreclosure Action.

Temecula Valley hereby releases CFD No. 93-1, the City of Beaumont and each of their officers, and elected or appointed representatives, agents, employees, consultants, advisors, successors, and assigns from any and all claims, demands, causes of action, in law and in equity, suits, proceedings, debts, liens, contracts, obligations, agreements, promise, liability, losses, costs or expenses of any nature whatsoever (including attorney's fees), past or present, known or fixed or contingent, arising in or out of or in any way related to any action taken by CFD No. 93-1 or the City with respect to the creation, past administration, past maintenance or past management of CFD No. 93-1 or this Agreement.

Section 11. Temecula Valley warrants and represents that the execution and delivery of this Agreement and the performance of their respective covenants and obligations have been duly authorized by all necessary corporate action, and neither the execution nor the delivery of this Agreement nor the consummation of its terms will constitute default, violation or breach of an agreement to which it or its shareholders may be bound. Temecula Valley will provide CFD No. 93-1 with documentation providing such authority.

Section 12. Each party to this Agreement represents and warrants that no claim or right that is ostensibly released or dismissed under this Agreement has been transferred, hypothecated, assigned or given away by that party prior to the effective date of this Agreement to any person or entity that would not be bound hereby. Each party shall indemnify, defend and hold harmless every other person or entity entitled to a release hereunder from and against any and all claims (including, without limitation, attorney's fees) resulting from its own actual or alleged breach of this representation and warranty.

Section 13. CFD No. 93-1 has entered into this Agreement in reliance on Temecula Valley. This Agreement may be assigned by Temecula Valley upon consent of CFD No. 93-1, which consent shall not be unreasonably withheld.

Section 14. In the event of any legal action on a dispute arising between the parties out of this Agreement the prevailing party shall be entitled to recover its reasonable litigation expenses and cost (including reasonable attorney's fees).

Section 15. This Agreement shall in all respects be interpreted, enforced and governed exclusively by and under the laws of the State of California.

Section 16. Each party hereto has had the opportunity to seek the advice of independent counsel of its choosing concerning this Agreement. This Agreement is to be deemed as to have been jointly prepared by all of the parties hereto, and any uncertainty or ambiguity existing herein shall not be interpreted against any party on the ground that it was the drafter.

Section 17. This Agreement and the Schedules contain the entire understanding of the parties with respect to the subject matter herein and constitutes the complete and entire written agreement to compromise, settlement and release between the parties hereto. There are no representations, covenants or understandings other than those expressed or referred to herein. Each party to this Agreement acknowledges that no other party or agent or attorney of any other party has made any promise, representation or warranty, expressed, implied or statutory, not contained or referred to herein concerning the subject matter of the Agreement, to induce that party to execute this Agreement; and each party acknowledges that it has not executed this Agreement in reliance upon any promise, representation or warranty not specifically contained or referred to herein. No amendment or addition to this Agreement shall be valid unless such amendment or addition is in writing and signed by all parties hereto.

Section 18. This Agreement may be signed in counterparts and may be signed in multiple originals so that each of the parties hereto shall have an original signed document and each shall be deemed an original. The parties hereto warrant that they will and do hereby agree to sign any and all further documents or instruments necessary to implement the terms of this Agreement.

Section 19. Any notice, demand, or request required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon (i) deposit in the United States of America first-class mail, postage prepaid, or (ii) upon sending by facsimile transmission to the appropriate party. This notice shall be addressed to the party at the address set forth below. Any party may change its address for the purposes of this Agreement.

CFD No. 93-1

City of Beaumont
550 East Sixth Street
Beaumont, CA 92223
Attention: City Manager

Fax: (909) 769-8526
Tel: (909) 769-8520

Temecula Valley, LLC

Temecula Valley, LLC
24800 Chrisanta Drive
Mission Viejo, CA 92691
Fax: (949) 598-8512
Tel: (949) 598-8500

Section 20. Waiver of any one breach of the provision of this Agreement shall not be deemed a waiver of any other breach of any provision of this Agreement and delay in enforcing any provision of this Agreement shall not be deemed a waiver of such provision.

Section 21. If any provision of this Agreement is found to be void, illegal or unenforceable, then any such provision shall be deemed stricken and the remaining provisions hereof shall, nevertheless, remain in full force and effect. In the event of a breach, this Agreement may be specifically enforced.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the dates set forth below.

SIGNATURES ON FOLLOWING PAGE

DATE: 10-31-02

TEMECULA VALLEY, LLC
a Delaware limited liability company

By: **GREYSTONE HOMES, INC.**
a Delaware corporation
Its Managing Member

By: [Signature]
Name: Jason Perin
Title: Authorized Signer

DATE: 10-30-02

**COMMUNITY FACILITIES DISTRICT
NO. 93-1 OF THE CITY OF
BEAUMONT**

By: [Signature]
Mayor of the City of Beaumont as
the Legislative Body of
Community Facilities District No.
93-1 of the City of Beaumont

ATTEST:

[Signature]
Deputy City Clerk of the City of Beaumont as
the Legislative Body of Community Facilities
District No. 93-1 of the City of Beaumont

EXHIBIT 1
(LEGAL DESCRIPTION)

PARCEL 1:

BEING A PORTION OF THE WEST HALF OF GOVERNMENT LOT 5 AND A PORTION OF THE WEST HALF OF GOVERNMENT LOT 6 OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 6 AS SHOWN ON A RECORD OF SURVEY AS FILED IN BOOK 71 PAGE 62 OF RECORDS OF SURVEY IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG THE WEST LINE OF SAID SECTION 6, NORTH $00^{\circ} 16' 38''$ EAST, 1500.15 FEET (NORTH $00^{\circ} 08' 55''$ WEST, 1500.04 FEET PER SAID RECORD OF SURVEY), TO THE TRUE POINT OF BEGINNING, SAID POINT BEING ALSO THE NORTHWEST CORNER OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 84-116461, OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE CONTINUING ALONG SAID WEST LINE OF SECTION 6, NORTH $00^{\circ} 16' 38''$ EAST, 1137.71 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 6;

THENCE CONTINUING ALONG SAID WEST LINE NORTH $00^{\circ} 16' 38''$ EAST, 496.43 FEET TO POINT "A", SAID POINT BEING ALSO THE BEGINNING OF AN 800.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH $04^{\circ} 03' 41''$ WEST;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $16^{\circ} 44' 32''$ A DISTANCE OF 233.77 FEET;

THENCE SOUTH $77^{\circ} 19' 09''$ EAST, 441.89 FEET TO POINT "B", SAID POINT BEING ALSO THE INTERSECTION WITH THE NORTHERLY PROLONGATION OF THE EAST LINE OF THE WEST HALF OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID NORTHERLY PROLONGATION AND SAID EAST LINE OF THE WEST HALF OF GOVERNMENT LOT 6 SOUTH $00^{\circ} 11' 25''$ WEST, 1469.98 FEET TO THE NORTHEASTERLY LINE OF SAID FILE NO. 116461;

THENCE ALONG SAID NORTHEASTERLY LINE NORTH $53^{\circ} 41' 59''$ WEST, 24.27 FEET TO THE MOST NORTHERLY CORNER OF SAID FILE NO. 116461;

THENCE ALONG THE NORTHERLY LINE OF SAID FILE NO. 116461, SOUTH $84^{\circ} 20' 53''$ WEST 650.00 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL A-1 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 2:

BEING A PORTION OF THE EAST HALF OF GOVERNMENT LOT 5 AND A PORTION OF THE EAST HALF OF GOVERNMENT LOT 6 OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "B" AS DESCRIBED HEREIN ABOVE.

THENCE SOUTH 77° 19' 09" EAST, 127.85 FEET;

THENCE SOUTH 75° 54' 51" EAST 147.34 FEET;

THENCE SOUTH 83° 32' 10" EAST, 398.81 FEET TO POINT "C", SAID POINT BEING ALSO THE INTERSECTION WITH THE NORTHERLY PROLONGATION OF THE EAST LINE OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID NORTHERLY PROLONGATION AND ALONG SAID EAST LINE OF GOVERNMENT LOT 6, SOUTH 00° 06' 13" WEST, 1495.89 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 6;

THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 6, SOUTH 83° 15' 00" WEST, 418.59 FEET TO THE EASTERLY LINE OF SAID INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 116461 OF OFFICIAL RECORDS

THENCE ALONG SAID NORTHEASTERLY LINE NORTH 53° 41' 59" WEST, 310.71 FEET TO THE WEST LINE OF THE EAST HALF OF SAID GOVERNMENT LOT 6;

THENCE ALONG SAID WEST LINE NORTH 00° 11' 25" EAST, 1469.98 FEET TO THE POINT OF BEGINNING;

SAID LAND IS SHOWN AS PARCEL A-2 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 3:

BEING THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER TOGETHER WITH A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER AND A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER AND A PORTION OF THE SOUTH HALF OF THE SOUTH HALF, ALL IN SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "C" AS DESCRIBED HEREIN ABOVE.

THENCE ALONG THE NORTHERLY PROLONGATION OF THE EAST LINE OF GOVERNMENT LOT 6 OF SAID SECTION 6 AND THE EAST LINE OF SAID GOVERNMENT LOT 6, SOUTH $00^{\circ} 06' 13''$ WEST, 1495.89 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 6;

THENCE ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 6, SOUTH $83^{\circ} 15' 00''$ WEST 418.59 FEET TO THE NORTHEASTERLY LINE OF SAID INSTRUMENT RECORDED MAY 31, 1984 AS FILE NO. 116461 OF OFFICIAL RECORDS.

THENCE ALONG SAID NORTHEASTERLY LINE SOUTH $53^{\circ} 41' 59''$ EAST, 290.02 FEET TO AN ANGLE POINT IN SAID FILE NO. 116461;

THENCE SOUTH $00^{\circ} 58' 33''$ WEST, 320.12 FEET TO THE SOUTHERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470, OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY LINE SOUTH $88^{\circ} 12' 00''$ EAST, 4132.00 FEET TO THE EAST LINE OF SAID SECTION 6, SAID POINT BEING NORTH $00^{\circ} 15' 45''$ EAST, 280.03 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 6;

THENCE ALONG SAID EAST LINE OF SECTION 6, NORTH $00^{\circ} 15' 45''$ EAST, 2422.26 FEET;

THENCE LEAVING SAID EAST LINE AT RIGHT ANGLES NORTH $89^{\circ} 44' 15''$ WEST, 831.98 FEET;

THENCE SOUTH $87^{\circ} 13' 03''$ WEST, 94.13 FEET;

THENCE NORTH $89^{\circ} 44' 15''$ WEST, 130.96 FEET TO THE BEGINNING OF A 2097.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $13^{\circ} 14' 09''$ A DISTANCE OF 484.43 FEET TO POINT "D"

THENCE CONTINUING ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $01^{\circ} 25' 32''$, DISTANCE OF 52.17 FEET;

THENCE SOUTH $75^{\circ} 36' 03''$ WEST, 221.07 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURE THROUGH A CENTRAL ANGLE OF $13^{\circ} 59' 50''$, A DISTANCE OF 367.18 FEET;

THENCE SOUTH $89^{\circ} 35' 53''$ WEST, 113.00 FEET TO THE BEGINNING OF A 1297.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $16^{\circ} 52' 16''$ A DISTANCE OF 381.91 FEET;

THENCE SOUTH $72^{\circ} 43' 37''$ WEST, 97.04 FEET TO THE BEGINNING OF 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $24^{\circ} 29' 24''$, A DISTANCE OF 642.43 FEET;

THENCE NORTH $82^{\circ} 46' 59''$ WEST, 373.21 FEET;

THENCE NORTH $88^{\circ} 51' 59''$ WEST, 137.82 FEET;

THENCE NORTH $83^{\circ} 32' 10''$ WEST, 61.35 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL A-3 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 4:

BEING A PORTION OF GOVERNMENT LOT 5 AND A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "A" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ON THE WEST LINE OF SAID SECTION 6;

THENCE ALONG SAID WEST LINE NORTH $00^{\circ} 16' 38''$ EAST, 600.06 FEET TO THE SOUTHERLY RIGHT OF WAY OF SOUTHERN PACIFIC RAILROAD AS SHOWN ON A RECORD OF SURVEY AS FILED IN BOOK 80 PAGES 78 THROUGH 89 INCLUSIVE, OF RECORD OF SURVEY IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY NORTH $83^{\circ} 49' 57''$ EAST, 1130.46 FEET TO THE NORTHWESTERLY LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED MAY 5, 1905 IN BOOK 202 PAGE 54 OF DEEDS, IN THE RECORDER'S OFFICE OF SAID COUNTY;

THENCE ALONG SAID NORTHWESTERLY LINE SOUTH $63^{\circ} 49' 50''$ WEST, 1121.91 FEET TO THE MOST WESTERLY CORNER OF THE AFOREMENTIONED PARCEL OF LAND;

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL OF LAND SOUTH $26^{\circ} 10' 10''$ EAST, 100.00 FEET TO THE MOST SOUTHERLY CORNER OF SAID PARCEL OF LAND;

THENCE ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND NORTH $63^{\circ} 49' 50''$ EAST, 1396.63 FEET TO SAID SOUTHERLY LINE OF SOUTHERN PACIFIC RAILROAD;

THENCE ALONG SAID SOUTHERLY LINE NORTH $83^{\circ} 49' 57''$ EAST, 913.26 FEET TO THE BEGINNING OF A 5639.65 FOOT RADIUS CURVE CONCAVE SOUTHERLY; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $03^{\circ} 21' 33''$, A DISTANCE OF 330.64 FEET TO THE NORTH-SOUTH CENTERLINE OF SAID SECTION 6;

THENCE LEAVING SAID CURVE AND ALONG SAID NORTH-SOUTH CENTERLINE SOUTH $00^{\circ} 04' 12''$ EAST, 1062.49 FEET TO A 1297.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH $15^{\circ} 47' 10''$ WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $01^{\circ} 29' 13''$, A DISTANCE OF 33.66 FEET;

THENCE SOUTH 72° 43' 27" WEST, 97.04 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24° 29' 24", A DISTANCE OF 642.43 FEET;

THENCE NORTH 82° 46' 59" WEST, 373.21 FEET;

THENCE NORTH 88° 51' 59" WEST, 137.82 FEET;

THENCE NORTH 83° 32' 10" WEST, 460.16 FEET;

THENCE NORTH 75° 54' 51" WEST, 147.34 FEET;

THENCE NORTH 77° 19' 09" WEST, 569.74 FEET TO THE BEGINNING OF AN 800.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 44' 32", A DISTANCE OF 233.77 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-1 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109700, OF OFFICIAL RECORDS.

PARCEL 5:

BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "D" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ALSO ON THE EAST LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED JANUARY 19, 1968 AS FILE NO. 5579 OF OFFICIAL RECORDS, IN THE RECORDER'S OFFICE OF SAID COUNTY, SAID POINT BEING ALSO ON A 2097.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 12° 58' 25" WEST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 25' 32", A DISTANCE OF 52.17 FEET;

THENCE SOUTH 75° 36' 03" WEST, 221.07 FEET TO THE BEGINNING OF A 1503.00 FOOT RADIUS CURVE CONCAVE NORTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 59' 50", A DISTANCE OF 367.18 FEET;

THENCE SOUTH 89° 35' 53" WEST, 113.00 FEET TO THE BEGINNING OF A 1297.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 23' 03", A DISTANCE OF 348.25 FEET TO THE NORTH-SOUTH CENTERLINE OF SAID SECTION 6;

THENCE LEAVING SAID CURVE AND ALONG SAID NORTH-SOUTH CENTERLINE NORTH 00° 04' 12" WEST, 1062.49 FEET TO THE SOUTHERLY RIGHT-OF-WAY OF SAID SOUTHERN PACIFIC RAILROAD, SAID POINT BEING ALSO 5639.65 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 02° 48' 30" WEST;

THENCE EASTERLY ALONG SAID CURVE AND SAID SOUTHERLY RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 04° 39' 32", A DISTANCE OF 458.58 FEET (RECORD 330.64 FEET);

THENCE SOUTH 88° 08' 58" EAST, 630.06 FEET TO THE EAST LINE OF SAID FILE NO. 5579;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY LINE AND ALONG SAID EAST LINE SOUTH 00° 08' 14" WEST 881.80 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-2 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 6:

BEING A PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "D" AS DESCRIBED HEREIN ABOVE, SAID POINT BEING ALSO THE EAST LINE OF THE PARCEL OF LAND AS DESCRIBED IN INSTRUMENT RECORDED JANUARY 19, 1968 AS FILE NO. 5579 OF OFFICIAL RECORDS IN THE RECORDER'S OFFICE OF SAID COUNTY, SAID POINT BEING ALSO ON A 2097.00 FOOT RADIUS NON-TANGENT CURVE CONCAVE SOUTHERLY, A RADIAL LINE TO SAID POINT BEARS NORTH 12° 58' 25" WEST;

THENCE ALONG SAID EAST LINE OF FILE NO. 5579 NORTH 00° 08' 14" EAST, 881.80 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID SOUTHERN PACIFIC RAILROAD;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH 88° 08' 58" EAST, 1539.60 FEET TO THE EAST LINE OF SAID SECTION 6;

THENCE ALONG SAID EAST LINE SOUTH 00° 15' 45" WEST, 778.42 FEET;

THENCE LEAVING SAID EAST LINE AT RIGHT ANGLES NORTH 89° 44' 15" WEST, 831.98 FEET;

THENCE SOUTH 87° 13' 03" WEST, 94.13 FEET;

THENCE NORTH 89° 44' 15" WEST, 130.96 FEET TO THE BEGINNING OF A 2097.00 FOOT RADIUS CURVE CONCAVE SOUTHERLY;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13° 14' 09", A DISTANCE OF 484.43 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS PARCEL B-3 ON EXHIBIT "A" OF LOT LINE ADJUSTMENT NO. 94-66-1, RECORDED MARCH 17, 1999 AS FILE NO. 109790, OF OFFICIAL RECORDS.

PARCEL 7:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "THENCE SOUTH 64° 05' 00" EAST, 299.00 FEET; IN DEED TO MARY CORDEIRO RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID CORDEIRO PARCEL SOUTH 88° 39' 33" EAST, 5012.15 FEET TO THE EAST LINE OF SAID SECTION 6; THENCE ALONG SAID EAST LINE, SOUTH 00° 14' 42" EAST, 146.99 FEET TO A POINT WHICH IS NORTH 00° 14' 42" WEST, 133.04 FEET FROM A THREE-QUARTER (3/4) INCH IRON PIPE AS SHOWN BY RECORD OF SURVEY IN BOOK 17 OF RECORD OF SURVEY, PAGE 21, IN THE RIVERSIDE COUNTY RECORDER'S OFFICE, MARKING THE SOUTHEAST CORNER OF SAID SECTION 6; THENCE NORTH 89° 21' 30" WEST, 638.34 FEET TO A TANGENT CURVE CONCAVE SOUTH HAVING A RADIUS OF 2200.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 17' 30" A DISTANCE OF 587.16 FEET; THENCE SOUTH 75° 21' 00" WEST, 754.82 FEET TO A TANGENT CURVE CONCAVE NORTH HAVING A RADIUS OF 2827.00 FEET; THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 27' 30" A DISTANCE OF 762.72 FEET; THENCE NORTH 89° 11' 30" WEST, 816.26 FEET TO A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 2000.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE FROM A TANGENT BEARING OF 87° 47' 31" EAST, THROUGH A CENTRAL ANGLE OF 28° 05' 07", A DISTANCE OF 980.36 FEET; THENCE NORTH 64° 07' 22" WEST, 476.14 FEET; THENCE NORTH 30° 12' 59" WEST, 222.95 FEET TO THE POINT OF BEGINNING.

PARCEL 8:

THAT PORTION OF LOTS 6 AND 7 AND THE SOUTH HALF OF THE SOUTH HALF OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING WITHIN THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 6; THENCE SOUTH 00° 09' 15" EAST, A DISTANCE OF 4,498.96 FEET TO THE SOUTH LINE OF THE LAND CONVEYED TO MARY CORDEIRO BY DEED RECORDED SEPTEMBER 18, 1974 AS FILE NO. 120470 OF OFFICIAL RECORDS; THENCE ALONG SAID SOUTH LINE NORTH 88° 36' 23" WEST, A DISTANCE OF 4,131.73 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 88° 36' 23" WEST, A DISTANCE OF 880.00 FEET; THENCE ALONG SAID SOUTH LINE NORTH 64° 00' 41" WEST, A DISTANCE OF 299.00 FEET TO THE WEST LINE OF SECTION 6; THENCE ALONG SAID WEST LINE NORTH 00° 08' 55" WEST, A DISTANCE OF 465.00 FEET; THENCE NORTH 83° 55' 20" EAST, A DISTANCE OF 650.00 FEET; THENCE SOUTH 54° 07' 32" EAST, A DISTANCE OF 625.00 FEET; THENCE SOUTH 00° 33' 00" WEST, A DISTANCE OF 320.00 FEET TO THE TRUE POINT OF BEGINNING.

ACCRUED SPECIAL TAXES AND PANALTIES
(INTEREST ACCRUING FROM JULY 1, 2001 IS IN ADDITION TO THESE AMOUNTS)

2000-01		2001-02		Total by	
APN #	Delinquent	Penalty	Total	APN	Total
414100018 1	\$ 17,545.08	\$ 1,754.50	\$ 19,299.58	\$ 19,299.58	
414100020 2	\$ 16,208.08	\$ 1,620.80	\$ 17,828.88	\$ 17,828.88	
414100022 4	\$ 40,387.74	\$ 4,038.76	\$ 44,426.50	\$ 44,426.50	
414110021 4	\$ 28,165.46	\$ 2,816.54	\$ 30,982.00	\$ 30,982.00	
414110022 5	\$ 45,407.82	\$ 4,540.78	\$ 49,948.60	\$ 49,948.60	
414110023 6	\$ 5,909.32	\$ 590.92	\$ 6,500.24	\$ 6,500.24	
414110031 3	\$ 17,866.72	\$ 1,786.66	\$ 19,653.38	\$ 19,653.38	
414110032 4	\$ 23,933.72	\$ 2,393.36	\$ 26,327.08	\$ 26,327.08	
414110033 5	\$ 21,972.34	\$ 2,197.22	\$ 24,169.56	\$ 24,169.56	
414110034 6	\$ 5,108.38	\$ 510.82	\$ 5,619.20	\$ 5,619.20	
414110035 7	\$ 11,131.22	\$ 1,113.12	\$ 12,244.34	\$ 12,244.34	
414110036 8	\$ 9,314.92	\$ 931.48	\$ 10,246.40	\$ 10,246.40	
414110033 5	\$ 20,715.04	\$ 2,071.50	\$ 22,786.54	\$ 22,786.54	
414110036 8	\$ 11,486.72	\$ 1,148.66	\$ 12,635.38	\$ 12,635.38	
414110037 9	\$ 18,493.86	\$ 1,849.39	\$ 20,343.25	\$ 20,343.25	
414110038 0	\$ 18,291.66	\$ 1,829.17	\$ 20,120.83	\$ 20,120.83	
414110039 1	\$ 32,873.66	\$ 3,287.37	\$ 36,161.03	\$ 36,161.03	
414110040 1	\$ 43,170.50	\$ 4,317.04	\$ 47,487.54	\$ 47,487.54	
414110041 2	\$ 23,074.56	\$ 2,307.45	\$ 25,382.01	\$ 25,382.01	
414110042 3	\$ 52,160.78	\$ 5,216.07	\$ 57,376.85	\$ 57,376.85	
				\$ 220,266.78	\$ 22,026.64
				\$ 242,293.42	\$ 509,539.18

\$242,950.80 \$ 24,294.96 \$267,245.76

\$220,266.78 \$22,026.64 \$242,293.42 \$509,539.18

SCHEDULE B

ESTIMATED PAYMENT SCHEDULE

Date	Remaining Principal before Payment	8% Interest Payment	Principal Payment	Total Payment	Remaining Principal after Payment
Close of Escrow	\$ 242,950.80		\$ 206.58	\$ 206.58	\$ 242,744.22
November 1, 2002	\$ 242,744.22	\$ 9,709.77	\$44,817.16	\$ 54,526.93	\$ 197,927.05
May 1, 2003	\$ 197,927.05	\$ 7,917.08	\$46,609.85	\$ 54,526.93	\$ 151,317.20
November 1, 2003	\$ 151,317.20	\$ 6,052.69	\$48,474.25	\$ 54,526.93	\$ 102,842.96
May 1, 2004	\$ 102,842.96	\$ 4,113.72	\$50,413.22	\$ 54,526.93	\$ 52,429.74
November 1, 2004	\$ 52,429.74	\$ 2,097.19	\$52,429.74	\$ 54,526.93	\$ (0.00)
Total Payments		\$ 29,890.45	\$ 242,950.80	\$ 272,841.25	

Payment at Close of Escrow

	\$ 250,000.00	Payment
less	\$ 220,266.78	2001-2002 CFD Taxes
less	\$ 22,026.64	2001-2002 CFD Penalty
less	\$ 7,500.00	Administrative Charge
	<u>\$ 206.58</u>	Remaining for 2000-2001 Payment



Legal Department - Temecula
Lennar Corporation
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To:

Joe Aklufi, Esquire
Dave Dillon
Alan Kapanicas
Jim Anderson, Esquire

From:

Amy F. Fain for Geri L. Bone

Date:

11/02/04

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Subject:

Heartland

Number of pages including cover:

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Attached please find a proposed draft of the Acknowledgement of Satisfaction and Release Agreement to evidence the fact Temecula Valley, LLC has satisfied the payment obligations as defined in the Settlement and Forbearance Agreement recorded November 19, 2002, as Instrument No. 2002-679933 against the Heartland property. Please advise if the form is acceptable or if you have any comments or questions. We will provide signature copies of the same via Federal Express and will also have the document recorded upon execution of same by the City.

Fax



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